

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	CASE NO.
FILING OF EAST LAUREL WATER DISTRICT)	2016-00308

ORDER

On August 23, 2016, East Laurel Water District (“East Laurel”) submitted an application for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. East Laurel purchases water from Wood Creek Water District (“Wood Creek”).
2. Wood Creek notified East Laurel on May 20, 2016 that its wholesale rate to East Laurel would increase from \$2.92 per 1,000 gallons to \$3.42 per 1,000 gallons, effective July 14, 2016.² East Laurel proposed to increase the water rates to its customers effective September 22, 2016, to reflect the increased cost of purchased water.
3. East Laurel proposed a purchased water adjustment factor of \$0.73 per 1,000 gallons.

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2015-00428, *Application of Wood Creek Water District for Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Order July 14, 2016).

4. During the 12 months ended July 31, 2016, East Laurel purchased 445,257,690 gallons of water from Wood Creek and sold 304,158,694 gallons of water. The increase in the cost of purchased water is \$222,628.85, resulting in a purchased water adjustment factor of \$0.73 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.73 per 1,000 gallons, as requested by East Laurel and calculated in Appendix A to this Order, is fair, just and reasonable and should be approved.

6. The rates as set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service rendered by East Laurel on and after September 22, 2016.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.73 per 1,000 gallons, as requested by East Laurel, is approved.

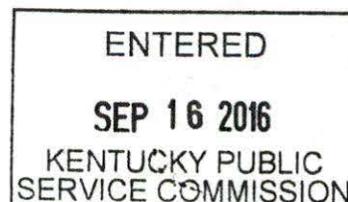
2. East Laurel's proposed rates as set forth in Appendix B to this Order are approved for water service rendered by East Laurel on and after September 22, 2016.

3. Within 20 days of the date of this Order, East Laurel shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission

ATTEST:


Executive Director



APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00308 DATED **SEP 16 2016**

	New Rate	Base Rate
East Laurel		
Purchases in gallons	445,257,690	445,257,690
Volumetric rate	\$ <u>3.42/1,000</u>	\$ <u>2.92/1,000</u>
	\$1,522,781.30	\$1,300,152.45

Increased water cost \$ 222,628.85

Increased water cost	\$ 222,628.85
Divided by gallons sold/1,000	<u>304,158,694</u>
Purchased water adjustment factor	\$ 0.7319

or \$ 0.73 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2016-00308 DATED **SEP 16 2016**

The following rates and charges are prescribed for the customers in the area served by East Laurel Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8-Inch X 3/4-Inch Meter

First 2,000 Gallons	\$ 21.21 Minimum Bill
Next 2,000 Gallons	8.37 Per 1,000 Gallons
Next 2,000 Gallons	8.13 Per 1,000 Gallons
Next 4,000 Gallons	7.35 Per 1,000 Gallons
Over 10,000 Gallons	6.70 Per 1,000 Gallons

1-Inch Meter

First 6,000 Gallons	\$ 54.21 Minimum Bill
Next 4,000 Gallons	7.35 Per 1,000 Gallons
Over 10,000 Gallons	6.70 Per 1,000 Gallons

2-Inch Meter

First 20,000 Gallons	\$150.61 Minimum Bill
Over 20,000 Gallons	6.70 Per 1,000 Gallons

3-Inch Meter

First 30,000 Gallons	\$217.61 Minimum Bill
Over 30,000 Gallons	6.70 Per 1,000 Gallons

Wholesale Rate	\$ 4.87 Per 1,000 Gallons
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1670 Hal Rogers Parkway
P. O. Box 726
London, KY 40743

*Dewayne Lewis
Wood Creek Water District
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